



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: December 14, 2006

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

September 2006 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>September 2006</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$ 309,566,572	\$ 734,167,772
Percent Change	7.7%	4.2%
Corporate Income Tax		
Net Collections	\$ 191,161,918	\$ 262,212,925
Percent Change	12.2%	14.5%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$ 379,889,665	\$ 1,123,816,353
Change	10.5%	9.6%
Total Big Three Tax Types		
Net Collections	\$ 880,618,155	\$2,120,197,050
Percent Change	9.8%	8.2%

TAX FACTS

September 2006

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	September-06	September-05	% Change
Gross Collections	\$ 157,891,628	\$ 118,564,270	33.2
Withholding	\$ 217,098,127	\$ 217,514,066	(0.2)
Refunds	\$ (19,487,296)	\$ (13,119,615)	48.5
Urban Revenue Sharing	\$ (45,935,888)	\$ (35,435,744)	29.6
Net Collections	\$ 309,566,572	\$ 287,522,977	7.7

	Fiscal Year Total (06/07)	Fiscal Year Total (05/06)	% Change
Gross Collections	\$ 199,248,988	\$ 159,672,659	24.8
Withholding	\$ 729,034,406	\$ 691,893,323	5.4
Refunds*	\$ (56,307,957)	\$ (40,954,072)	37.5
Urban Revenue Sharing	\$ (137,807,665)	\$ (106,307,232)	29.6
Net Collections	\$ 734,167,772	\$ 704,304,678	4.2

*Refunds issued as a result of the Ladewig case are not included in the total refunds listed in the "Individual Income Tax Receipts" section above or the "Average Individual Income Tax Refund" section later mentioned in this publication. Ladewig refunds were finalized as of July 2006.

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. In September 2006, the department did not issue any individual or corporate income tax refunds for alternative fuel-related credits.

Individual Income Tax Document Count

In calendar year 2005, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	46,957	1,675,324	99,248	115,957	12	45,036	279,787	12,873	188,966	3,161	8	2,467,329
%	1.9%	67.9%	4.0%	4.7%	0.0%	1.8%	11.3%	0.5%	7.7%	0.1%	0.0%	

In calendar year 2006 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	43,034	1,586,132	96,553	125,597	0	39,151	389,975	12,103	175,074	3,460	12	2,471,091
%	1.7%	64.2%	3.9%	5.1%	0.0%	1.6%	15.8%	0.5%	7.1%	0.1%	0.0%	

The 2,471,091 returns representing current and prior tax years, filed through September 2006 compares to 2,360,550 returns filed during the same period of time in 2005 for an annual increase of 4.7%. For the tax year 2005 filed in 2006, 2,358,395 returns have been filed, a 4.6% increase over filings through September 2005 for tax year 2004.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 1,617,392 returns in calendar year 2006 for tax year 2005 from filers who also have returns on record from calendar year 2005 with the same marital status. On average, these filers experienced an 11.1% increase in FAGI and a 15.2% increase in tax liability. More specifically, 34.2% of these filers experienced a decrease in tax liability; on average a decrease of 20.1% in FAGI with a corresponding average decrease in tax liability of 38.6%. Filers with an increase in tax liability totaled 873,689 or 54.0%, with an average FAGI increase of 36.7% and an average tax liability increase of 65.9%.

Average Individual Income Tax Refund

Net of Ladewig refunds.

	Average	Number
2006 CYTD	\$ 571.38	1,542,099
2005 CYTD	\$ 494.51	1,444,231
% Change	15.5	6.8

"New" Filers in Calendar Year 2006

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2006. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 273,503 "new" returns have been filed thus far in 2006, representing approximately 330,257 persons, not including dependents. The average Federal Adjusted Gross Income is \$22,213 with an average tax liability of \$381. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 16.7% had a married filing joint filing status, 7.1% claimed a 65 and Over Exemption and 34.1% claimed dependents.

Individual Income Tax Estimated Payments

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES tax year 2005 was \$580.2 million, for an average of \$2,690. An additional \$95.0 million in estimated payments came from 2004 tax returns that applied their refunds as a 2005 estimated payment, for an average of \$2,351. Estimated payments received through September 2006 for tax year 2006 are as follows:

09/06	140ES payment	\$	48,420,893	Cumulative \$	271,578,923
09/05	140ES payment	\$	45,590,555	Cumulative \$	212,968,740
	% change		6.2		27.5
09/06	Average payment	\$	1,643	Cumulative \$	1,930
09/05	Average payment	\$	1,638	Cumulative \$	1,675
	% change		0.3		15.2
09/06	Applied refund	\$	8,004,161	Cumulative \$	45,260,518
09/05	Applied refund	\$	5,205,512	Cumulative \$	38,679,117
	% change		53.8		17.0
Total 09/06		\$	56,425,055	Cumulative \$	316,839,441
Total 09/05		\$	50,796,067	Cumulative \$	251,647,857
	% change		11.1		25.9

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2004 through March 2005, \$592,987,493 was received for the first quarter of 2004. The latest complete quarter (15 months of information has been compiled) is the third quarter of 2005, which shows an increase of 28.2% in withholding payments over the third quarter of 2004. Growth in quarters for which information is still being gathered is as follows:

4 th Quarter 2005	18.1%	2 nd Quarter 2006	24.0%
1 st Quarter 2006	38.7%	3 rd Quarter 2006	2.2%

As of January 1, 2005, the current choices for withholding are 0%, 10%, 19%, 23%, 25%, 31% or 37% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2006	13,796	\$ 4,911,866	\$ 356
Calendar Year 2005	14,634	\$ 5,182,860	\$ 354
% Change	(5.7)	(5.2)	0.6%

Clean Elections

As a result of the December 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2005 filed in 2006.

	September 2006	Calendar Year Total
Check Off	\$48,111	\$4,760,646
Voluntary Donation	\$ 955	\$ 63,002
Number of Returns	6,219	660,628

Contributions on the Individual Income Tax Return

Through September 2006, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	10,441	\$ 205,594	\$ 19.69
Child Abuse	11,070	\$ 227,431	\$ 20.54
Special Olympics	5,405	\$ 100,174	\$ 18.53
Neighbors Helping	3,196	\$ 50,026	\$ 15.65
AID to Education	807	\$ 43,553	\$ 53.97
Domestic Violence Shelter	8,224	\$ 169,994	\$ 20.67
Democratic Party	1119	\$ 27,229	\$ 24.33
Republican Party	663	\$ 16,499	\$ 24.88
Libertarian Party	85	\$ 2,180	\$ 25.65

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	Sept 2006	Sept 2005	% Change
Gross Collections	\$191,640,170	\$176,288,184	8.7
Refunds	(\$478,252)	(\$5,907,796)	(91.9)
Net Collections	\$191,161,918	\$170,380,388	12.2

	Fiscal Year Total	Prior Fiscal Year Total	% Change
Gross Collections	\$271,543,519	\$241,388,310	12.5
Refunds	(\$9,330,594)	(\$12,300,125)	(24.1)
Net Collections	\$262,212,925	\$229,088,185	14.5

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

PLEASE NOTE THAT THIS IS THE SECOND MONTH FOR DATA COMING FROM OUR NEW CORPORATE TAX SYSTEM. AS WITH THE CHANGEOVER OF ANY SYSTEM, THERE WILL BE VARIATIONS IN DATA. PLEASE TAKE THE NEGATIVE CHANGE AS A RESULT OF CHANGING DATA GATHERING TECHNIQUES RATHER THAN AN ECONOMIC TREND.

Sept 2006	\$162,749,918	Calendar Year Total	\$604,101,491
Sept 2005	\$170,969,147	Calendar Year Total	\$498,606,685
% Change	(4.8%)	% Change	21.2%

All corporations with an income tax liability of \$20,000 or greater are required to make estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment.

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
Sept 2006	580	130	161	33	29	1	934	14.2
Sept 2005	536	104	125	27	25	1	818	
CY 2005	3,013	467	532	116	96	1	4,225	27.3
CY 2004	2,339	367	458	83	71	1	3,319	

The next table shows the dollars of eft estimated payments received from those counts above.

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 and more	Total	% chg
Sept 2006	\$7,769,799	\$9,087,898	\$37,398,337	\$22,822,100	\$72,563,828	\$149,641,962	1.9%
Sept 2005	\$6,906,933	\$7,427,292	\$29,349,692	\$19,140,300	\$84,077,244	\$146,901,461	
CY 2006	\$34,116,400	\$32,619,659	\$118,565,245	\$83,151,100	\$232,173,014	\$500,625,418	22.1%
CY 2005	\$29,848,190	\$26,396,865	\$101,947,808	\$60,295,428	\$191,422,912	\$409,911,204	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 05/06 by corporate fiscal year. For example, in FY 05/06, 38.4% of the refund dollars paid were for corporate fiscal years ending in 2001 or before. The percentages are for refunds paid through the fiscal year.

Corporate Refunds continued:

Corporate Fiscal Year-End:	01 & Prior	02	03	04	05	06
FY 05/06	38.4%	27.7%	0.6%	19.4%	13.8%	0.0%

Corporate Fiscal Year-End:	02 & Prior	03	04	05	06	07
FY 06/07	18.3%	10.7%	5.6%	63.3%	2.3%	0.0%

NO DATA IS AVAILABLE ON REFUNDS APPLIED AS ESTIMATED PAYMENTS. MAYBE SOMEDAY WHEN I FIGURE OUT BRITS, I CAN RESUME THIS TIME SERIES.

Corporate Income Tax Document Count

The Arizona Department of Revenue received 112,597 corporate returns showing a fiscal year-end of 2004. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	274	35,862	64,351	379	11,731
%	0.2	31.8	57.2	0.3	10.4

Through September 2006, 93,627 documents were received for a fiscal year-end of 2005, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	137	26,683	55,599	342	10,866
%	0.1	28.5	59.4	0.4	11.6

The figures for the 2005 returns are most meaningful when compared to 2004 returns received during the same period of time in the previous year. Through September 2005, the Department of Revenue received 88,092 documents with a fiscal year-end of 2004. Compared to 2005 documents, the Department has seen a 6.3% **increase** in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2006/07 is 15.0% of net proceeds from Fiscal Year 2004/05 income tax. Amounts returned for September 2006 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, transaction privilege and severance tax collections are aggregated by category and total distribution base and non-shared portions are calculated. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. Education tax is in accordance with Proposition 301 resulting in an additional 0.6% education tax being added to most business classifications.

The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	September 2006	September 2005	% change
Distribution Base	\$150,082,193	\$137,319,569	9.3%
Non shared	299,564,520	270,432,643	10.8%
Use Tax	28,561,796	25,990,396	9.9%
Education Tax	55,830,892	51,342,365	8.7%
Other Revenues	68,470,577	57,395,256	19.3%
Total Collections	\$602,509,977	\$542,480,230	11.1%

	Fiscal Year Total (06/07)	Fiscal Year Total (05/06)	% change
Distribution Base	\$448,318,163	\$411,935,487	8.8%
Non shared	886,537,489	807,049,714	9.8%
Use Tax	82,653,929	76,484,526	8.1%
Education Tax	165,532,639	152,809,984	8.3%
Other Revenues	198,756,788	172,382,708	15.3%
Total Collections	\$1,781,799,009	\$1,620,662,419	9.9%

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained by State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The education tax is distributed in accordance with Proposition 301. "Other" revenues are returned to the administering authority.

	September 2006	September 2005	% change
Retained by State	\$379,889,665	\$343,784,559	10.5%
Returned to Counties	60,798,296	55,628,157	9.3%
Returned to Cities	37,520,548	34,329,892	9.3%
Education Tax	55,830,892	51,342,365	8.7%
Other Revenues	68,470,577	57,395,256	19.3%
Total Collections	\$602,509,977	\$542,480,230	11.1%

	Fiscal Year Total (06/07)	Fiscal Year Total (05/06)	% change
Retained by State	\$1,123,816,353	\$1,025,610,790	9.6%
Returned to Counties	181,613,688	166,875,066	8.8%
Returned to Cities	112,079,541	102,983,872	8.8%
Education Tax	165,532,639	152,809,984	8.3%
Other Revenues	198,756,788	172,382,708	15.3%
Total Collections	\$1,781,799,009	\$1,620,662,419	9.9%

Transaction Privilege and Severance Tax Collections By Class

		September 2006	% Chg	Fiscal Year Total	% Chg
Transporting	5.6	\$321,716	24.7	1,086,823	29.0
Non-Metal Mining Oil/Gas	3.125%	674,745	(24.6)	2,165,017	(22.6)
Utilities	5.6%	49,583,507	22.7	129,330,447	14.2
Communications	5.6%	14,849,052	14.0	43,397,212	12.1
Private Car/Pipelines	5.6%	80,924	(43.0)	242,504	(66.9)
Publishing	5.6%	621,288	10.2	1,907,023	(1.1)
Job Printing	5.6%	1,597,456	6.1	4,695,783	(0.6)
Restaurants & Bars	5.6%	34,519,612	3.8	106,924,244	6.7
Amusements	5.6%	3,353,163	11.3	11,963,749	16.4
Commercial Lease	0%	N/A	N/A	N/A	N/A
Rental of Personal	5.6%	15,859,037	13.1	46,787,318	11.2
Contracting	3.75% - 5.6%	93,858,710	16.6	284,142,044	18.2
Retail	5.6%	222,219,218	5.5	663,389,557	5.0
Mining Severance	2.5%	4,166,278	115.0	13,191,192	109.0
Timber Severance	\$2.13/\$1.51 per 1000 board ft	3,781	449.4	10,132	83.5
Hotel/Motel	5.5%	7,456,758	6.3	23,720,139	5.4
Membership Camping	5.6%	5,368	38.4	16,667	(17.2)
Use Tax	5.6%	28,561,796	9.9	82,981,116	8.5%
Rental Occupancy Tax	3.0%	N/A	N/A	N/A	N/A
Jet Fuel		597,806	21.8	1,555,922	(5.5)
Jet Fuel Use Tax	\$.0305/\$.0105 gal	37,061	17.7	132,011	29.1
Telecomm	----	567,249	83.5	1,623,910	89.3
911 Wireline	\$0.28/month per active service	991,024	N/A	3,269,443	(6.5)
911 Wireless	\$0.28/month per active service	877,104	(19.7)	2,986,947	28.1
Total		\$480,803,455	10.4	\$1,425,514,546	9.5

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	September 2006	% Chg	Fiscal Year Total	% Chg
Transporting	\$6,443,430	24.4	\$21,764,386	29.0
Non-Metal Mining Oil/Gas	21,614,025	(24.8)	69,317,986	(22.7)
Utilities	992,253,753	22.4	2,587,593,609	14.2
Communications	297,281,272	13.7	868,450,778	12.0
Private Car/Pipelines	1,620,019	(43.1)	4,852,679	(66.9)
Publishing	12,437,024	9.8	38,159,477	(1.2)
Job Printing	31,986,718	5.7	93,979,094	(0.7)
Restaurants & Bars	691,309,732	3.4	2,140,032,862	6.6
Amusements	67,188,044	10.9	239,485,516	16.3
Commercial Lease	(238)	N/A	1,857	N/A
Rental of Personal				
Property	317,563,847	12.7	936,392,730	11.1
Contracting	1,879,232,385	15.6	5,686,313,394	17.5
Retail	4,449,489,513	5.2	13,276,404,420	4.9
Mining Severance	166,751,979	114.3	527,817,827	108.8

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Transaction Privilege and Severance Tax Taxable Sales By Class continued

	September 2006	% Chg	Fiscal Year Total	% Chg
Timber Severance	1,905	435.2	4,889	86.2
Hotel/Motel	135,882,059	5.9	431,789,248	5.3
Membership Camping	107,597	37.5	333,732	(17.3)
Use Tax	572,985,966	9.8	1,662,479,629	8.4%
Rental Occupancy Tax	42,341	(86.3)	(140,374)	N/A
Total	\$9,644,191,370	10.3	\$28,585,033,739	9.8

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table are not elements of calculated taxable income and therefore, are not included in the above table. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for September 2006 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	% Change
Apache	\$ 415,888	0.7	\$ 1,243,244	(2.7)
Coconino	\$ 1,551,830	2.6	\$ 4,654,204	5.2
Cochise	\$ 1,012,445	1.7	\$ 3,056,319	4.6
Gila	\$ 457,801	0.8	\$ 1,371,743	4.1
Graham	\$ 269,399	0.4	\$ 807,107	6.6
Greenlee	\$ 493,480	0.8	\$ 1,523,997	101.6
La Paz	\$ 153,968	0.3	\$ 470,686	(3.0)
Maricopa	\$ 38,944,397	64.1	\$ 116,345,777	8.9
Mohave	\$ 1,746,412	2.9	\$ 5,274,543	8.1
Navajo	\$ 926,481	1.5	\$ 2,777,318	3.4
Pima	\$ 8,629,799	14.2	\$ 25,636,101	5.2
Pinal	\$ 2,070,181	3.4	\$ 6,241,224	29.8
Santa Cruz	\$ 393,056	0.6	\$ 1,170,620	9.1
Yavapai	\$ 2,221,884	3.7	\$ 6,588,485	8.6
Yuma	\$ 1,511,275	2.5	\$ 4,452,321	6.6
Total	\$ 60,798,296		\$ 181,613,688	8.8

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for September 2006 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during September 2006 and returned to the counties. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge in Pima County is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health Svc's Dist	Capitol Projects	Tourism Authority
Apache		\$ 109,488							
Cochise		\$ 599,665							
Coconino		\$ 1,126,600	\$ 675,958					\$ 281,302	
Gila	\$ 298,621	\$ 291,996							
Graham		\$ 146,051							
Greenlee		\$ 113,135							
La Paz		\$ 80,832	\$ 80,831				\$ 30		
Maricopa	\$ 31,973,145		\$ 11,966,545	\$ 434,812	\$ 18				\$1,239,391
Mohave		\$ 675,894							
Navajo		\$ 600,847							
Pima	\$ 5,751,180			\$ 121,692		\$ 8,257			
Pinal	\$ 1,654,526	\$ 1,630,158							
S Cruz		\$ 281,194	\$ 267,650						
Yavapai		\$ 1,503,322	\$ 751,860						
Yuma		\$ 978,260	\$ 978,268				\$ 193,181	\$ 977,472	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in September 2006. The table compares the receipts to September 2005 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	September 2006	September 2005	%
Spirituos	\$ 1,146,158	\$ 2,087,984	(45.1)
Vinous	\$ 606,694	\$ 859,019	(29.4)
Malt	\$ 1,624,032	\$ 1,814,712	(10.5)
Cigarette	\$ 30,087,218	\$ 26,002,613	15.7
Other Tobacco	\$ 764,280	\$ 873,707	(12.5)
Tobacco Licenses	\$ 525	\$ 375	40.0
Total	\$ 34,228,907	\$ 31,638,409	8.2

	Fiscal Year (06/07)	Fiscal Year (05/06)	%
Spirituos	\$ 4,998,199	\$ 5,651,418	(11.6)
Vinous	\$ 2,165,359	\$ 2,325,176	(6.9)
Malt	\$ 6,350,083	\$ 5,714,335	11.1
Cigarette*	\$ 76,752,472	\$ 71,852,800	6.8
Other Tobacco	\$ 2,335,135	\$ 2,395,915	(2.5)
Tobacco Licenses	\$ 2,375	\$ 1,400	69.6
Total	\$ 92,603,623	\$ 87,941,044	5.3

*Through September 2006, \$495,835 of cigarette and tobacco tax collections has been allocated for administrative expenses and is not included in the cigarette collections above.

General Fund revenues from luxury taxes:

	September 2006		FY06/07	
Spirituos	\$	802,310	\$	3,498,740
Vinous	\$	151,350	\$	539,862
Malt	\$	406,008	\$	1,587,520
Cigarette	\$	4,099,637	\$	10,416,788
Other Tobacco	\$	57,321	\$	238,548
Tobacco Licenses	\$	525	\$	2,375
Total	\$	5,517,152	\$	16,283,834

Other dedicated revenues from luxury taxes:

	September 2006		FY06/07	
Correction Fund revenues	\$	1,913,724	\$	6,795,052
Tobacco Tax & Health Care Fund ²	\$	10,449,906	\$	26,807,381
Tobacco Products Tax Fund ³	\$	15,674,859	\$	40,084,244
Wine Promotional Fund revenues	\$	1,292	\$	5,909
Drug Treatment & Education Fund revenues	\$	481,529	\$	1,881,590
Corrections Revolving Fund revenues	\$	190,445	\$	745,613

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Estate Tax

September-06	\$	40,505	Fiscal Year to Date	\$	145,219
September-05	\$	1,322,222	Fiscal Year to Date	\$	8,930,669
% change		N/A	% Change		N/A

Bingo

September-06	\$	37,842	Fiscal Year to Date	\$	144,804
September-05	\$	36,987	Fiscal Year to Date	\$	144,048
% change		2.3	% Change		0.5

Unclaimed Property

September-06	\$	277,613	Fiscal Year to Date	\$	8,111,042
September-05	\$	4,048,239	Fiscal Year to Date	\$	5,348,956
% change		N/A	% Change		51.6

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

² Formerly the Health Care Fund

³ This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

TABLE 1
"New" Returns Filed in 2006 for Tax Year 2005
Through September 2006

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	2,518	0.9%	-\$16,881	\$4	18.6%	73.2%	5.9%	2.3%	14.1%	13.7%
\$0-\$5,000	53,688	19.6%	\$2,735	\$0	4.0%	85.3%	9.9%	0.8%	3.8%	15.6%
\$5,000-\$10,000	55,371	20.2%	\$7,369	\$24	6.0%	76.2%	16.8%	1.0%	4.9%	24.8%
\$10,000-\$15,000	38,873	14.2%	\$12,385	\$95	11.9%	60.6%	26.1%	1.5%	7.6%	36.7%
\$15,000-\$20,000	29,417	10.8%	\$17,366	\$166	19.1%	49.5%	29.5%	1.9%	8.1%	43.5%
\$20,000-\$25,000	20,782	7.6%	\$22,341	\$267	24.9%	43.9%	28.6%	2.6%	6.9%	47.8%
\$25,000-\$30,000	15,825	5.8%	\$27,393	\$389	28.4%	42.7%	26.1%	2.8%	7.2%	46.6%
\$30,000-\$40,000	19,221	7.0%	\$34,523	\$551	34.9%	39.3%	22.4%	3.4%	7.6%	46.8%
\$40,000-\$50,000	11,336	4.1%	\$44,622	\$783	44.2%	34.8%	17.7%	3.3%	9.1%	45.9%
\$50,000-\$75,000	14,582	5.3%	\$60,568	\$1,136	60.2%	25.9%	11.4%	2.5%	12.6%	46.8%
\$75,000-\$100,000	6,021	2.2%	\$85,609	\$1,791	71.5%	19.6%	7.3%	1.6%	15.0%	45.8%
\$100,000-\$200,000	4,701	1.7%	\$130,268	\$3,247	72.1%	19.5%	6.6%	1.9%	17.5%	44.5%
\$200,000-\$500,000	977	0.4%	\$285,858	\$9,371	64.8%	25.8%	7.3%	2.0%	26.7%	36.0%
\$500,000-\$1,000,000	132	0.0%	\$684,816	\$33,896	68.4%	24.8%	3.8%	3.0%	33.1%	30.1%
\$1,000,000 and over	59	0.0%	\$2,168,268	\$118,337	57.6%	27.1%	8.5%	6.8%	35.6%	28.8%
Total	273,503		\$22,213	\$381	16.7%	49.1%	15.9%	1.5%	7.1%	34.1%

*An asterisked line indicates that the information cannot be released due to confidentiality laws.

NEW RETURNS FILED IN 2005 FOR TAX YEAR 2004										
Total	258,482		\$22,021	\$390	17.0%	48.3%	16.1%	1.7%	7.5%	34.2%

"NEW" Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
September 2006

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$835,253	88,265
Eagar	\$41,968	4,435	Tempe	\$1,568,930	165,796
Springerville	\$36,575	2,065	Tolleson	\$61,491	6,498
St. Johns	\$19,541	3,865	Wickenburg	\$57,507	6,077
<u>Cochise County</u>			Youngtown	\$58,321	6,163
Benson	\$44,855	4,740	<u>Mohave County</u>		
Bisbee	\$62,172	6,570	Bullhead City	\$361,582	38,210
Douglas	\$162,717	17,195	Colorado City	\$38,609	4,080
Huachuca City	\$17,317	1,830	Kingman	\$244,714	25,860
Sierra Vista	\$413,439	43,690	Lake Havasu City	\$505,656	53,435
Tombstone	\$15,235	1,610	<u>Navajo County</u>		
Willcox	\$36,764	3,885	Holbrook	\$51,337	5,425
<u>Coconino County</u>			Pinetop-Lakeside	\$39,413	4,165
Flagstaff	\$578,995	61,185	Show Low	\$93,258	9,885
Fredonia	\$10,504	1,110	Snowflake	\$46,700	4,935
Page	\$67,282	7,110	Taylor	\$38,798	4,100
Williams	\$29,761	3,145	Winslow	\$93,069	9,835
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$70,925	7,495	Marana	\$252,899	26,725
Hayden	\$8,441	892	Oro Valley	\$372,843	39,400
Miami	\$18,500	1,955	Sahuarita	\$132,388	13,990
Payson	\$146,014	15,430	South Tucson	\$53,277	5,630
Star Valley	\$18,983	2,006	Tucson	\$5,013,221	529,770
Winkelman	\$4,192	443	<u>Pinal County</u>		
<u>Graham County</u>			Apache Junction	\$322,405	34,070
Pima	\$19,730	2,085	Casa Grande	\$307,264	32,470
Safford	\$88,574	9,360	Coolidge	\$77,407	8,180
Thatcher	\$43,057	4,550	Eloy	\$105,276	11,125
<u>Greenlee County</u>			Florence	\$194,276	20,530
Clifton	\$24,566	2,596	Kearny	\$21,282	2,249
Duncan	\$7,684	812	Mammoth	\$16,674	1,762
<u>La Paz County</u>			Maricopa	\$100,527	15,934
Parker	\$31,039	3,280	Superior	\$30,793	3,254
Quartzsite	\$34,067	3,600	<u>Santa Cruz County</u>		
<u>Maricopa County</u>			Nogales	\$206,578	21,830
Avondale	\$656,317	69,356	Patagonia	\$8,706	920
Buckeye	\$240,417	25,406	<u>Yavapai County</u>		
Carefree	\$34,862	3,684	Camp Verde	\$101,538	10,730
Cave Creek	\$45,101	4,766	Chino Valley	\$116,632	12,325
Chandler	\$2,184,490	230,845	Clarkdale	\$34,824	3,680
El Mirage	\$303,394	32,061	Cottonwood	\$102,768	10,860
Fountain Hills	\$231,768	24,492	Dewey-Humboldt	\$38,136	4,030
Gila Bend	\$18,737	1,980	Jerome	\$3,123	330
Gilbert	\$1,637,783	173,072	Prescott	\$385,807	40,770
Glendale	\$2,293,541	242,369	Prescott Valley	\$317,721	33,575
Goodyear	\$437,314	46,213	Sedona	\$103,478	10,935
Guadalupe	\$52,567	5,555	<u>Yuma County</u>		
Litchfield Park	\$42,849	4,528	San Luis	\$216,987	22,930
Mesa	\$4,240,339	448,096	Somerton	\$92,264	9,750
Paradise Valley	\$131,186	13,863	Wellton	\$18,642	1,970
Peoria	\$1,307,249	138,143	Yuma	\$840,079	88,775
Phoenix	\$13,965,839	1,475,834			
Queen Creek	\$155,326	16,414			
Scottsdale	\$2,221,462	234,752	TOTAL	\$45,935,888	4,859,596

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
September 2006

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$681,487	88,265
Eagar	\$34,242	4,435	Tempe	\$1,280,098	165,796
Springerville	\$15,944	2,065	Tolleson	\$50,171	6,498
St. Johns	\$29,841	3,865	Wickenburg	\$46,920	6,077
<u>Cochise County</u>			Youngtown	\$47,584	6,163
Benson	\$36,597	4,740	<u>Mohave County</u>		
Bisbee	\$50,726	6,570	Bullhead City	\$295,016	38,210
Douglas	\$132,761	17,195	Colorado City	\$31,501	4,080
Huachuca City	\$14,129	1,830	Kingman	\$199,663	25,860
Sierra Vista	\$337,327	43,690	Lake Havasu City	\$412,567	53,435
Tombstone	\$12,431	1,610	<u>Navajo County</u>		
Willcox	\$29,996	3,885	Holbrook	\$41,886	5,425
<u>Coconino County</u>			Pinetop/Lakeside	\$32,158	4,165
Flagstaff	\$472,404	61,185	Show Low	\$76,321	9,885
Fredonia	\$8,570	1,110	Snowflake	\$38,103	4,935
Page	\$54,896	7,110	Taylor	\$31,656	4,100
Williams	\$24,282	3,145	Winslow	\$75,935	9,835
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$57,868	7,495	Marana	\$206,342	26,725
Hayden	\$6,887	892	Oro Valley	\$304,204	39,400
Miami	\$15,094	1,955	Sahuarita	\$108,016	13,990
Payson	\$119,134	15,430	South Tucson	\$43,469	5,630
Star Valley	\$15,488	2,006	Tucson	\$4,090,311	529,770
Winkelman	\$3,420	443	<u>Pinal County</u>		
<u>Graham County</u>			Apache Junction	\$263,052	34,070
Pima	\$16,098	2,085	Casa Grande	\$250,698	32,470
Safford	\$72,268	9,360	Coolidge	\$63,157	8,180
Thatcher	\$35,130	4,550	Eloy	\$85,895	11,125
<u>Greenlee County</u>			Florence	\$158,510	20,530
Clifton	\$20,044	2,596	Kearny	\$17,364	2,249
Duncan	\$6,269	812	Mammoth	\$13,604	1,762
<u>La Paz County</u>			Maricopa	\$123,025	15,934
Parker	\$25,325	3,280	Superior	\$25,124	3,254
Quartzsite	\$27,795	3,600	<u>Santa Cruz County</u>		
<u>Maricopa County</u>			Nogales	\$168,548	21,830
Avondale	\$535,492	69,356	Patagonia	\$7,103	920
Buckeye	\$196,158	25,406	<u>Yavapai County</u>		
Carefree	\$28,444	3,684	Camp Verde	\$82,845	10,730
Cave Creek	\$36,798	4,766	Chino Valley	\$95,160	12,325
Chandler	\$1,782,336	230,845	Clarkdale	\$28,413	3,680
El Mirage	\$247,540	32,061	Cottonwood	\$83,849	10,860
Fountain Hills	\$189,101	24,492	Dewey-Humboldt	\$31,115	4,030
Gila Bend	\$15,287	1,980	Jerome	\$2,548	330
Gilbert	\$1,336,275	173,072	Prescott	\$314,782	40,770
Glendale	\$1,871,311	242,369	Prescott Valley	\$259,230	33,575
Goodyear	\$356,807	46,213	Sedona	\$84,428	10,935
Guadalupe	\$42,890	5,555	<u>Yuma County</u>		
Litchfield Park	\$34,960	4,528	San Luis	\$177,041	22,930
Mesa	\$3,459,713	448,096	Somerton	\$75,279	9,750
Paradise Valley	\$107,035	13,863	Wellton	\$15,210	1,970
Peoria	\$1,066,591	138,143	Yuma	\$685,425	88,775
Phoenix	\$11,394,795	1,475,834			
Queen Creek	\$126,731	16,414			
Scottsdale	\$1,812,501	234,752	TOTAL	\$37,520,548	4,859,596